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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 04-01-2009 and ending 03-31-2010

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
KENDAL AT HANOVER I

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
80 Lyme Road

City or town, state or country, and ZIP + 4
Hanover, NH 037551218

D Employer identification number
02-0519490

E Telephone number
(603) 643-7012

G Gross receipts $ 42,493,186

F Name and address of principal officer
Rebecca A Smith
Kendal at Hanover
80 Lyme Road
Hanover, NH 03755

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www kah kendal org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1988 | **M** State of legal domicile NH

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
We offer services that are needed to ensure a vigorous independence We conduct our business in a manner that includes all residents and respects all opinions We provide for supportive services, health care, leadership in issues dealing with end-of-life, and activities to meet recreational needs, both as a way to preserve wellness and as a symbol of life at Kendal

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
5	Total number of employees (Part V, line 2a)	5	362
6	Total number of volunteers (estimate if necessary)	6	78
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	462,755	686,536
9	Program service revenue (Part VIII, line 2g)	19,858,653	20,411,974
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	661,911	1,284,126
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	616,737	804,975
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	21,600,056	23,187,611

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	60,998	48,101
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	9,289,678	9,872,800
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	10,249,699	10,504,961
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	19,600,375	20,425,862
19	Revenue less expenses Subtract line 18 from line 12	1,999,681	2,761,749

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	103,923,439	113,583,336
21	Total liabilities (Part X, line 26)	95,002,293	94,109,683
22	Net assets or fund balances Subtract line 21 from line 20	8,921,146	19,473,653

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date: 2010-07-23

▶ Brent Edgerton Assoc Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶			EIN ▶
			Phone no ▶

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Kendal at Hanover is a not-for-profit continuing care retirement community characterized by mutual respect, integrity and a concern for each other's welfare that fosters the independence, vitality, health and security of older persons and in which residents and staff may exercise their talents in a supportive environment

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 16,715,369 including grants of $ 48,101) (Revenue $ 20,411,974)

Operation of a Continuing Care Retirement Community for the elderly consisting of 250 independent living apartments, a community center, 56 licensed skilled beds and 56 licensed assisted living bed serving 410 residents

4b (Code) (Expenses $ 0 including grants of $ 37,806) (Revenue $ 0)

Education reimbursement given to 24 employees over the course of the year for continuing education

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ $ 16,715,369

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		No
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	● Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	● Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	● Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	● Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	● Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	● Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? **Yes** / **No** *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — **12A** No			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	**1a**	30		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	**1c**		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	362		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	**2b**		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	**3a**			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	**3b**			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	**5a**			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	**5b**			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	**5c**			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	**6a**			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	**6b**			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	**7a**			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	**7b**			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	**7c**			
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	**7e**			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	**7f**			
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .	**7g**			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	**7h**			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	**8**			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	**9a**			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	**9b**			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 15		
b	Enter the number of voting members that are independent . .	1b 15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Brent B Edgerton
80 Lyme Road
Hanover, NH 03755
(603) 643-7004

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Robert B Donin Board Member	0	X						0	0	0
Susan H Larman Board Treasurer	0	X						0	0	0
Stephen R Marion Board Chair	0	X						0	0	0
F Thomas Wilson Board Member	0	X						0	0	0
Kathryn Underwood Board Member	0	X						0	0	0
John V Dolan Board Member	0	X						0	0	0
Ella A Erway Board Secretary	0	X						0	0	0
Bryant M Patten Board Member	0	X						0	0	0
Virginia Allison Board Member	0	X						0	0	0
Arthur Z Gardiner Jr Board Vice Chair	0	X						0	0	0
Linda J von Reyn Board Member	0	X						0	0	0
Michael F Wagner Board Member	0	X						0	0	0
Roberta J Berner Board Member	0	X						0	0	0
Anne Page Board Member	0	X						0	0	0
Stanley A Pelli Board Member	0	X						0	0	0
Brent B Edgerton Assoc Exec Director, CFO	50			X	X			146,002	0	16,208
Rebecca A Smith Executive Director, CEO	50			X	X	X		207,023	0	12,439

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Diana M Cox Director of Resident Health Care Services	45				X			117,161	0	23,377
1b Total . . . . . ▶								470,186	0	52,024

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 3

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Engelberth Construction Inc 463 Mountain View Drive Colchester, VT 05446	Construction	9,087,363
Lavallee Brensinger Architects 155 Dow Street Suite 400 Manchester, NH 03101	Architect	602,253
Summer & Winter Construction LLC PO Box 2645 Concord, NH 03302	Roofing/Construction	587,490
John L Carter Sprinkler Co Inc 9 Dunklee Road Bow, NH 03304	Sprinklers	314,880
ARC Mechanical Contractor PO Box 724 229 Depot Street Bradford, VT 05033	HVAC	292,985

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 5

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	0				
	b	Membership dues	0				
	c	Fundraising events	0				
	d	Related organizations	0				
	e	Government grants (contributions)	0				
	f	All other contributions, gifts, grants, and similar amounts not included above	686,536				
	g	Noncash contributions included in lines 1a-1f $ 164,340					
	h	**Total.** Add lines 1a-1f		686,536			
Program Service Revenue			Business Code				
	2a	Resident Fees - Apartments	623,000	12,063,508	12,063,508	0	0
	b	Resident Fees - Healthcare	623,000	3,627,230	3,627,230	0	0
	c	Amortization Entry Fees	623,000	4,721,236	4,721,236	0	0
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f		20,411,974			
	3	Investment income (including dividends, interest and other similar amounts)		1,167,110	0	0	1,167,110
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0
	5	Royalties		0	0	0	0
			(i) Real / (ii) Personal				
	6a	Gross Rents	48,875 / 0				
	b	Less rental expenses	0 / 0				
	c	Rental income or (loss)	48,875 / 0				
	d	Net rental income or (loss)		48,875	0	0	48,875
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	19,409,464 / 13,127				
	b	Less cost or other basis and sales expenses	19,251,381 / 54,194				
	c	Gain or (loss)	158,083 / -41,067				
	d	Net gain or (loss)		117,016	0	0	117,016
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 0				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Child Day Care	624,410	278,402	0	0	278,402
	b	Net Assets Released from Restrictions	900,099	171,546	0	0	171,546
	c	Food Service	722,210	95,400	0	0	95,400
	d	All other revenue		210,752	210,752	0	0
	e	**Total.** Add lines 11a–11d		756,100			
	12	**Total revenue.** See Instructions		23,187,611	20,622,726	0	1,878,349

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	48,101	48,101		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	354,381	0	354,381	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	6,804,757	5,799,137	1,005,620	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	670,285	0	670,285	0
9	Other employee benefits	1,538,820	1,247,092	291,728	0
10	Payroll taxes	504,557	413,638	90,919	0
11	Fees for services (non-employees)				
a	Management	360,521	282,654	77,867	0
b	Legal	76,452	0	76,452	0
c	Accounting	30,900	0	30,900	0
d	Lobbying	0	0	0	0
e	Professional fundraising *See Part IV, line 17*	0			0
f	Investment management fees	0	0	0	0
g	Other	0	0	0	0
12	Advertising and promotion	34,193	0	34,193	0
13	Office expenses	317,235	136,632	180,603	0
14	Information technology	205,664	0	205,664	0
15	Royalties	0	0	0	0
16	Occupancy	3,350,728	3,350,728	0	0
17	Travel	110,612	48,837	61,775	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	42,804	21,349	21,455	0
20	Interest	0	0	0	0
21	Payments to affiliates	600,864	0	600,864	0
22	Depreciation, depletion, and amortization	2,671,491	2,671,491	0	0
23	Insurance	134,948	134,948	0	0
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Equipment & Repair	433,799	426,012	7,787	0
b	Food Costs	843,322	843,322	0	0
c	Staff Recruitment	13,308	13,308	0	0
d	Health Center Related Costs	933,731	933,731	0	0
e	Restricted Assets released for operations	171,546	171,546	0	0
f	All other expenses	172,843	172,843	0	0
25	**Total functional expenses.** Add lines 1 through 24f	20,425,862	16,715,369	3,710,493	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		671	1	671
	2	Savings and temporary cash investments		14,466,350	2	9,658,011
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		1,822,032	4	1,338,865
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		199,542	8	211,672
	9	Prepaid expenses and deferred charges		891,445	9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 93,202,949			
	b	Less accumulated depreciation	10b 33,368,598	49,775,749	10c	59,834,351
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		36,153,650	12	41,915,766
	13	Investments—program-related See Part IV, line 11		0	13	
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		614,000	15	624,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		103,923,439	16	113,583,336
Liabilities	17	Accounts payable and accrued expenses		3,366,369	17	3,262,551
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		40,088,912	20	38,673,854
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities Complete Part X of Schedule D		51,547,012	25	52,173,278
	26	**Total liabilities.** Add lines 17 through 25		95,002,293	26	94,109,683
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		5,083,919	27	13,794,755
	28	Temporarily restricted net assets		2,842,884	28	4,472,785
	29	Permanently restricted net assets		994,343	29	1,206,113
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		8,921,146	33	19,473,653
	34	Total liabilities and net assets/fund balances		103,923,439	34	113,583,336

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	Yes	
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☑ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	337,521	471,116	606,618	462,755	686,536	2,564,546
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	20,690,204	18,386,704	20,105,075	22,539,664	21,740,931	103,462,578
3 Gross receipts from activities that are not an unrelated trade or business under section 513	0	0	0	0	0	0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0	0	0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	0
6 **Total.** Add lines 1 through 5	21,027,725	18,857,820	20,711,693	23,002,419	22,427,467	106,027,124
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	0	0	0	0	0	0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year	0	0	0	0	0	0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public Support** (Subtract line 7c from line 6)						106,027,124

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	21,027,725	18,857,820	20,711,693	23,002,419	22,427,467	106,027,124
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	997,857	1,301,242	1,488,984	1,189,402	1,167,110	6,144,595
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0	0	0	0	0	0
c Add lines 10a and 10b	997,857	1,301,242	1,488,984	1,189,402	1,167,110	6,144,595
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on	0	0	0	0	0	0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	0	0	0	0	0	0
13 **Total support** (Add lines 9, 10c, 11 and 12)	22,025,582	20,159,062	22,200,677	24,191,821	23,594,577	112,171,719

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	94 522 %
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	94 706 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	5 478 %
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	5 294 %

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☑

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	1,103,747	1,198,730			
b Contributions	211,770	168,479			
c Investment earnings or losses	1,745	-263,462			
d Grants or scholarships	0	0			
e Other expenditures for facilities and programs	0	0			
f Administrative expenses	0	0			
g End of year balance	1,317,262	1,103,747			

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 8 %
- b Permanent endowment ▶ 92 %
- c Term endowment ▶ 0 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	1,155,188	0		1,155,188
b Buildings	69,168,966	0	29,788,793	39,380,173
c Leasehold improvements	0	0	0	0
d Equipment	9,430,788	0	3,579,805	5,850,983
e Other	13,448,007	0	0	13,448,007
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				59,834,351

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other See Additional Data Table		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	41,915,766	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Waiting List Deposits	624,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	624,000

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Deferred Resident Entry Fees	51,677,764
Gift Annuities Payable	495,514
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	52,173,278

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	23,187,611
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	20,425,862
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,761,749
4	Net unrealized gains (losses) on investments	4	7,790,758
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net) Add lines 4 - 8	9	7,790,758
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	10,552,507

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	22,130,041
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	22,130,041
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	89,679		
b	Other (Describe in Part XIV)	4b	967,891		
c	Add lines **4a** and **4b**			4c	1,057,570
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	23,187,611

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	20,254,318
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	20,254,318
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	171,544		
c	Add lines **4a** and **4b**			4c	171,544
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	20,425,862

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P05_S00_L04	Schedule D, Part V, Line 4	Resident assistance, Entry Fee assistance, employee education, music performances, child care assistance All endowment funds are for the support of Kendal at Hanover's mission
SchD_P10_S00_L00	Schedule D, Part X	Audit Footnote Kendal at Hanover follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized The application of this standard has no impact on the KaH financial statements
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Contributions $850,876 and Realized Gains Losses on Investments $117,015
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	Temporary restricted funds transferred to operations $171,546

Additional Data

Software ID:
Software Version:
EIN: 02-0519490
Name: KENDAL AT HANOVER I

Form 990, Schedule D, Part VII - Investments— Other Securities

(a) Description of security or cateory (including name of security)	(b)Book value	(c) Method of valuation Cost or end-of-year market value	
Common Stock	24,311,983		F
ALLST LIFE GBL FDG	80,612		F
AMERICAN EXPRESS CR	85,575		F
AMERICAN GENERAL CORP	34,521		F
AMGEN INC CONV	85,140		F
AT&T INC	33,300		F
BACCT 2006-A16-A16	68,888		F
BACM 2006-6-A2	43,050		F
BANK OF AMERICA NA	17,198		F
BELLSOUTH CAP FDG	69,019		F
BELLSOUTH TELECOM	51,868		F
BMWLT 2009-1-A2	20,257		F
BOEING CO	24,260		F
BOEING CO	95,715		F
BSCMS 2005-PW10-A2	172,491		F
BURLINGTON NRTHRN	61,795		F
CANADIAN NATL RAILWAY	65,343		F
CCCIT 2006-A4-A4	105,012		F
CGCMT 2005-C3-A1	1,746		F
CHAIT 2008-A9-A9	103,849		F
CITIGROUP INC	88,466		F
CITIGROUP INC	28,028		F
CITIGROUP INC	30,123		F
CME GROUP INC	84,532		F
CONOCOPHILLIPS	41,424		F
CSFB 2002-CKS4-A1	8,041		F
CSFB 2002-CP3-A2	6,075		F
CSFB 2002-CP5-A1	7,685		F
CSFB 2005-C3-A4	66,232		F
DC INCOME TAX 09E	39,867		F
DEUTSCHE BK LONDON	84,659		F
DEUTSCHE TELEKOM FIN	94,375		F
DOMINION RES INC	40,371		F
FED HM LN BK	54,897		F
FHLMC ARM #1B3221	53,810		F
FHLMC ARM #1B4645	61,674		F
FHLMC ARM #1G1028	47,927		F
FHLMC ARM #1G1616	53,035		F
FHLMC ARM #1G1662	39,237		F
FHLMC ARM #1G1710	15,933		F
FHLMC ARM #1G2408	39,351		F
FHLMC ARM #1G2480	46,898		F
FHLMC ARM #1G2598	15,840		F
FHLMC ARM #1J0309	36,160		F
FHLMC ARM #1J0513	42,910		F
FHLMC ARM #1J1197	67,630		F
FHLMC ARM #1J1317	43,782		F
FHLMC ARM #1J1543	101,062		F
FHLMC ARM #1Q0081	24,864		F
FHLMC ARM #1Q0299	24,355		F
FHLMC ARM #1Q0723	51,185		F
FHLMC ARM #783246	59,189		F
FIRST UN NATL BK NC	144,864		F
FIRST UN NATL BK	120,916		F
FNMA 2003-W10-3A5	36,211		F
FNMA 2003-W12-1A8	67,609		F
FNMA 2003-W12-2A6	43,006		F
FNMA 2009-M2-A1	39,928		F
FNMA ARM #555756	60,538		F
FNMA ARM #737613	27,822		F
FNMA ARM #745480	60,085		F
FNMA ARM #779619	89,494		F
FNMA ARM #933628	58,525		F
FNMA ARM #975055	66,327		F
FNMA POOL #462014	83,499		F
FNMA POOL #545892	12,898		F
FNMA POOL #555148	18,969		F
FNMA POOL #555162	73,285		F
FNMA POOL #555435	50,211		F
FNMA POOL #555503	21,707		F
FNMA POOL #725322	21,433		F
FNMA POOL #735953	10,250		F
FNMA POOL #745504	154,263		F
FNMA POOL #821252	13,227		F
FNW 2003-W12-2A7	33,248		F
GCCFC 2002-C1-A2	13,413		F
GEN ELEC CAP CORP	123,598		F
GSMS 2006-GG6-A2	94,716		F
HARTFORD FINL SVCS	41,871		F
HESS CORP	47,539		F
HOUSEHOLD FIN CORP	112,325		F
IBM CORP	80,689		F
IL ST GO TXBL	40,991		F
JP MORGAN CHASE & CO	141,141		F
LBUBS 2006-C1-A2	92,398		F
LEHMAN BROS MTN	14,335		F
LEHMAN BROS HLDGS	3,488		F
MA ST GO TXBL	84,861		F
MLMT 2005-CIP1-A2	192,015		F
MLMT 2006-C1-A2	148,648		F
MORGAN STANLEY	31,160		F
MSDWC 2003-TOP9-A1	75,430		F
NAROT 2008-C-A3A	41,382		F
NASDAQ OMX GROUP	75,580		F
NATIONSBANK MTN	100,975		F
NEWS AMERICA INC	68,169		F
NORFOLK SOUTHN CORP	47,286		F
PCMT 2003-PWR1-A1	9,915		F
PROCTOR & GAMBLE CO	142,360		F
SBAP 2004-20L-1	39,913		F
SBAP 2007-20H-1	70,475		F
SBAP 2007-20K-1	79,436		F
SBAP 2007-20L-1	35,642		F
SBAP 2008-20A-1	109,599		F
SBAP 2008-20B-1	30,771		F
SBAP 2008-20C-1	137,690		F
SBAP 2008-20D-1	189,695		F
SBAP 2008-20K-1	61,382		F
SIMON PPTY GROUP LP	42,928		F
SIMON PPTY GORUP LP	63,665		F
STATE STREET CORP	114,039		F
TIME WARNER CABLE INC	95,494		F
TRANOCEAN INC	86,886		F
TYCO INTL FINANCE	28,524		F
UNION PACIFIC CORP	48,056		F
US TREASURY NOTES	684,133		F
US TREASURY NOTES	83,813		F
US TSY NTS	88,023		F
VALERO ENERGY CORP	42,011		F
VALET 2010-1-A2	85,022		F
VERIZON COMMS INC	67,744		F
VODAFONE GROUP PLC	76,546		F
WAL-MART STORES INC	29,932		F
WBCMT 2006-C26-A2	41,629		F
WEST CORP FED	67,193		F
WOART 2008-B-A3A	92,344		F
3M COMPANY MTN	107,269		F
ABBOTT LABS	131,365		F
ALLST LIFE GBL FDG	98,042		F
BANK OF AMERICA CORP	198,592		F
BANK OF NY MELLON	139,688		F
BARCLAYS BANK PLC	106,784		F
BERKSHIRE HATHAWAY FIN	137,541		F
BOTTLING GROUP LLC	63,674		F
BP CAPITAL MARKET PLC	89,134		F
CHEVRON CORP	64,750		F
COLGATE-PALM CO	62,609		F
DEUTSCHE BK LONDON	73,942		F
FED FM CR BK	197,184		F
FED HM LN BK	44,916		F
FED HM LN MTG	221,785		F
FED NAT MTG	238,907		F
GEN ELEC CAP CORP	92,083		F
GEN ELEC CAP CORP	11,133		F
GEN ELEC CAP CORP	103,339		F
GEN ELEC CAP CORP	42,158		F
GEN ELEC CAP CORP	71,061		F
GMAC INC LLC	195,123		F
GOLDMAN SACHS GR INC	130,454		F
JOHNSON & JOHNSON	105,864		F
JP MORGAN CHASE & CO	102,460		F
JP MORGAN CHASE & CO	109,656		F
MEDTRONIC INC	69,336		F
MERCK & CO MTN	109,723		F
MICROSOFT CORP	96,449		F
MORGAN STANLEY	196,916		F
NOVARTIS CAP CORP	32,982		F
NYSE EURONEXT	79,127		F
PACCAR FINL CORP MTN	64,862		F
PEPSICO INC	64,823		F
PFIZER INC	28,620		F
PNC FUNDING CORP	70,814		F
PROCTOR & GAMBLE CO	110,174		F
ROYAL BANK OF CANADA	1,372,500		F
SHELL INTL FIN	54,721		F
STATE STREET CORP	132,500		F
UNITED PARCEL SVC	104,759		F
US CNET FED CR	67,617		F
US TREASURY NOTES	30,117		F
US TREASURY NOTES	89,410		F
US TREASURY NOTES	37,049		F
US TREASURY NOTES	130,876		F
US TREASURY NOTES	335,252		F
US TREASURY NOTES	262,304		F
US TREASURY NOTES	992,635		F
WACHOVIA CORP	122,037		F
WAL-MART STORES INC	103,788		F
WEST CORP FED	52,150		F
FHLMC GRP #M80813	287,896		F
FHLMC GRP #M80818	145,340		F
FHLMC GRP #M80904	201,536		F
FNMA	25,320		F
FNMA POOL #254680	3,580		F
FNMA POOL #254930	344,425		F
FNMA POOL #254967	99,040		F
FNMA POOL #382694	69,165		F
FNMA POOL #382993	72,995		F
FNMA POOL #383038	103,431		F
FNMA POOL #387566	349,730		F
FNMA POOL #725372	34,944		F
FNMA POOL #873179	294,886		F
LESS PRIORITY DEPOSITS AS OF 3/31/10	-624,000		F

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Tuition Assistance fo remployees	24	37,806	0	cost	
Donations to charitable institutions	5	8,200	2,095	cost	donated food expense
See Additional Data Table					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
SchI_P01_S00_L02	Schedule I, Part I, Line 2	Human Resources receives requests for tuition reimbursement from employees These requests must be approved by employee supervisor, department director and the Executive Director Policies are in place that dictate how much assistance is available per employee per year based on full or part time status An agreement is signed between Kendal and the employee that they must receive a C or B+ (for graduate work) to keep their reimbursement Human Resources tracks this

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Rebecca A Smith	(i)	186,843	20,180	0	0	12,439	219,462	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	NH Health & Education Facilities Authority			10-13-2004	13,725,000	secure lower cost of debt		X		X
B	NH Health & Education Facilities Authority			10-13-2004	15,545,000	secure lower cost of debt		X		X
C	NH Health & Education Facilities Authority			09-01-2008	16,365,000	renovations & capital improvements		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	13,725,000	15,545,000	16,365,000		
2	Gross proceeds in reserve funds	13,725,000	15,545,000	16,365,000		
3	Proceeds in refunding or defeasance escrows	0	0	0		
4	Other unspent proceeds	0	0	0		
5	Issuance costs from proceeds	0	0	0		
6	Working capital expenditures from proceeds	0	0	0		
7	Capital expenditures from proceeds	0	0	16,365,000		
8	Year of substantial completion	2004	2004	2011		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?		X		X		X				
10	Were the bonds issued as part of an advance refunding issue?		X		X		X				
11	Has the final allocation of proceeds been made?	X		X			X				
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X					

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X				
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X				

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X		X				
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X				
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 %		0 %				
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		0 %				
6	Total of lines 4 and 5		0 %		0 %		0 %				
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X					

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X				
2	Is the bond issue a variable rate issue?		X	X		X					
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X				
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X		X				
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X		X				

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Furniture donated by residents for public areas)	X	41	164,340	appraisal
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶ ( )				

29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	0

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Identifier	Return Reference	Explanation
F990_P06_S0A_L07b	Form 990, Part VI, Section A, Line 7b	Kendal Corporation has to approve any changes in Kendal at Hanover by-laws, additional debt and any resident contract changes
F990_P06_S0B_L11	Form 990, Part VI, Section B, Line 11	The 990 is prepared by the Controller and then reviewed by the Associate Executive Director/CFO It is then shared with the Executive Director/CEO and the Board of Directors for any feedback and/or comments prior to submission
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	An annual "Conflict of Interest" disclosure is done per our written policy
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	It is Kendal at Hanover's Board of Directors' charge to evaluate the Executive Director on an annual basis and approve the compensation for that position The Executive Director evaluates top management and their compensation is adjusted annually All other positions are evaluated annually based on Human Resource's compensation policies and procedures A market analysis is done annually for all positions
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	The annual Disclosure Statement is made available to all current residents and to interested parties on our website This statement includes the conflict of interest disclosure The 990 is available on the website, at our reception desk and in our library The audited financial statements as well as interim financials are available in our library The audited financial statements are also availble on our website

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENDAL AT HANOVER I

Employer identification number
02-0519490

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity

See Additional Data Table

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**	**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**	**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**No**
d	Loans or loan guarantees to or for other organization(s)	**1d**	**No**
e	Loans or loan guarantees by other organization(s)	**1e**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**No**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**No**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**Yes**
n	Sharing of paid employees	**1n**	**No**
o	Reimbursement paid to other organization for expenses	**1o**	**Yes**
p	Reimbursement paid by other organization for expenses	**1p**	**No**
q	Other transfer of cash or property to other organization(s)	**1q**	**No**
r	Other transfer of cash or property from other organization(s)	**1r**	**No**

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	The Kendal Corporation	m	0
(2)	The Kendal Corporation	o	815,967
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

Additional Data

Return to Form

Software ID: 09000073
Software Version: v1.00
EIN: 02-0519490
Name: KENDAL AT HANOVER I

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Kendal at Oberlin 600 Kendal Drive Oberlin, OH440741900 34-1567246	Operate CCRC	OH	501(c)(3)	9	N/A
Kendal at Ithaca 2230 North Triphammer Road Ithaca, NY14850 52-1787487	Operate CCRC	NY	501(c)(3)	9	N/A
Barclay Friends 700 N Franklin St West Chester, PA19380 23-2088476	Operate CCRC	PA	501(c)(3)	3	N/A
The Kendal Corporation 1107 East Baltimore Pike Kennett Square, PA19348 23-2688382	Develop and provide administration for CCRC's	PA	501(c)(3)	11 Type III	N/A
Kendal Charitable Funds 1107 East Baltimore Pike Kennett Square, PA19348 23-2626425	Manage charitable contributions to primarily benefit affiliates	PA	501(c)(3)	7	N/A
Kendal-Crosslands Communities PO Box 100 Kennett Square, PA19348 23-1906212	Operate CCRC	PA	501(c)(3)	9	N/A
Kendal on Hudson 1010 Kendal Way Sleepy Hollow, NY10591 13-3971396	Operate CCRC	NY	501(c)(3)	9	N/A
Kendal at Granville 2158 Columbus Road Granville, OH43023 31-1657346	Operate CCRC	OH	501(c)(3)	9	N/A
Kendal at Home 27519 Detroit Road Westlake, OH44145 20-0548053	Operate Home Care	OH	501(c)(3)	9	N/A
The Lathrop Communities 100 Bassett Brook Drive Easthampton, MA01027 04-2996627	Operate over 55 community	MA	501(c)(3)	9	N/A
Kendal at Lexington 160 Kendal Drive Lexington, VA24450 54-1795871	Operate CCRC	VA	501(c)(3)	9	N/A
Lexington Health Investors 160 Kendal Drive Lexington, VA24450 54-1956103	Operate skilled nursing home	VA	501(c)(3)	9	N/A
Kendal New York 1010 Kendal Way Sleepy Hollow, NY10591 06-1656576	Provide support services in operation of Kendal on Hudson & Kendal at Ithaca	NY	501(c)(3)	11 Type I	N/A

Additional Data

Software ID:
Software Version:
EIN: 02-0519490
Name: KENDAL AT HANOVER I

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Equipment & Repair	433,799	426,012	7,787	0
Food Costs	843,322	843,322	0	0
Staff Recruitment	13,308	13,308	0	0
Health Center Related Costs	933,731	933,731	0	0
Restricted Assets released for operations	171,546	171,546	0	0